



TO: The Honorable Members of the PA House of Representatives

FROM: Aaron Riggleman, Director, Government Affairs

DATE: June 24, 2026

RE: **PA Chamber memo: Oppose H.B. 2198 - Sales & Use Tax Exemption Repeal**

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The Pennsylvania Chamber of Business and Industry opposes H.B. 2198, which we understand may be considered today.

H.B. 2198 would repeal the sales and use tax exemption for computer data center equipment. Data centers are critical infrastructure that support virtually every sector of the modern economy, including healthcare, financial services, manufacturing, logistics, and the technologies powering artificial intelligence. The exemption was enacted with broad bipartisan support in 2021 to attract these projects and ensure Pennsylvania remained competitive for major digital infrastructure investments.

Businesses making long-term investment decisions rely on stability and certainty in economic development policy. Repealing an incentive after companies have made investment decisions based on its availability amounts to a legislative bait and switch and risks creating the perception that Pennsylvania's business climate is unreliable and unpredictable.

States across the country continue to compete for data center projects through stable tax and regulatory policies. Eliminating an existing incentive threatens to place Pennsylvania at a competitive disadvantage and sends a troubling signal to current and prospective investors that the Commonwealth is willing to change the rules after the fact. At a time when demand for digital infrastructure is accelerating, Pennsylvania should be strengthening its competitive position rather than withdrawing tools designed to attract investment.

For these reasons, the PA Chamber urges lawmakers to oppose H.B. 2198. Please contact **Aaron Riggleman** at [ariggleman@pachamber.org](mailto:ariggleman@pachamber.org) or **724-640-3290** with any questions or to discuss.

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